# GOVERNMENT OF INDIA
# HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:2376
ANSWERED ON:15.03.2007
PSUs USING OBSOLETE TECHNOLOGY
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**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

(a) whether most of the Public Sector Undertakings (PSUs) are using obsolete technology;

(b) If so, the details thereof, PSU-wise;

(c) whether due to obsolete technology these PSUs are making heavy losses;

(d) If so, the reasons therefore; and

(e) the remedial measures the Government has taken / proposed to be taken in respect of these PSUs?

## Answer

MINISTER OF THE sTATE IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) and (b) : There are certain sick and loss making CPSEs, which are using obsolete technology. However, a number of Central Public Sector Enterprises (CPSEs) are making efforts to update technology and have dedicated Research and Development (R&D) wings in their establishments. The total expenditure incurred in this regard by 80 CPSEs during 2005-06 was Rs.985.69 crore.

(c) and (d) : Reasons for losses / sickness are manifold and may vary from unit to unit. However, some common problems faced / being faced by the sick / loss making enterprises include obsolete plant and machinery, outdated technology, resource crunch, low capacity utilization, low productivity, excess manpower, heavy interest burden, stiff competition, unfocussed marketing etc.

(e) : Proposals for revival / restructuring of sick and loss making CPSEs are referred by the administrative Ministries / Departments to the Board for Reconstruction of Public Enterprises for consideration and making suitable recommendations. The revival package may include modernizations / technology upgradation etc. Further, the Government has delegated powers to Navratna and Miniratna CPSEs to enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements.